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VINDICATION
Lynde (Samuel) OF THE (2)
BANK
OF
Credit

Projected in *Boston* from the Aspersions
OF

Paul Dudley, *Esqr.*

IN A
LETTER

By him directed to *John Burril Esqr.* Late
Speaker to the House of Representa-
tives for the Province of the *Massachu-*
setts-Bay in New-England.

New-England

Boston. Printed in the Year 1714.

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INDICATION

OF THE

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Projected in paper from the Alps

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A
VINDICATION
OF THE

Bank of Credit, &c.

To John Burril, Esqr.

SIR,

MR. Attorney General, by his Letter of the Twenty Second of October last past to your Self, as Speaker to the House of Representatives for this Province, having most unaccountably, with an uncommon Freedom, taken upon him to insult and Arraign a Considerable Company of Gentlemen Merchants, &c. (as he is pleased to stile them) Projectors of the Bank of Credit, and call them to the Bar of that Honourable House, Charging them with the many *High Crimes and Misdemeanours* following.

First, That they are openly carrying on their Bank with utmost Vigour and Expedition, in Contempt of an Order of Council; and indeed affirming, that the Government have

have nothing to do with them in that Affair: And that they look upon themselves very Well and sufficient to carry it on without making any Application to the General Assembly. *Vide* Page 3, 4.

Secondly, That their Bank is *Pandora's Box*, Page 4.

Thirdly, That their Projection is just Ripe for Execution, which will more or less affect, invalidate and break in upon the Prerogative of the Crown, several Acts of Parliament, the Constitution and Laws of this Province, the Estates and Liberties of the People; and that not only for the present, but succeeding Generations. Page 4, 7, 15.

Fourthly, That their Projection is a thing *Intolerable, Unreasonable and Unjust*, not founded in *Commutative Justice*, and *Common Honesty*; and must unavoidably prove a great Snare and Mischief to People that want Money to pay their Debts, or otherwise for whose ease and advantage the Bank is Projected. Page 16, 17, 18.

Fifthly, That the Business of the Projectors is in one day to be Masters of *One Hundred and Fifty Thousand Pounds*, without any Risque, or any other Charge or Trouble, than the Writing and Signing a few pieces of Paper, to Accept *Six Thousand Pounds* Interest per *Annum*; whereby they would immediately have the profits of other Mens Estates, and finally

finally the Estates themselves, without a valuable Consideration. Page 17, 18.

Sixthly, That their Projection will be in effect the setting up an *Absolute, Independent Government*, which like a Fire in the Bowels, will Burn up and Consume the whole Body. Page 14.

These Articles being Intermixed and Cloath'd with so many Invective Sarcasms, Opprobrious Language and Undue Reflections, the Gentlemen Concerned hold themselves Obliged in Justice to themselves, and the Truth, and in Honour to your self; that you and every one else may be Undeceived, and that the whole Matter may be set in its true light, do Affirm and Declare,

That two or three Gentlemen in the Town of *Boston*, discoursing of the Difficulties that Trade laboured under, for want of a Medium of Exchange, the Silver being sent Home for *England*, and the Bills of Credit on the several Provinces daily Called in by the Funds on which they were Emitted; thought it proper to consult some other Friends, and to Meet together, and Consider of a suitable Remedy for the present and growing Inconveniencies and Difficulties. At which time some were desired to Commit their thoughts to Writing, in order to be considered of at a Second Meeting, which was accordingly done; And after several Meetings, agreed on a Land Security,

to a Fund for Bills and Notes to be Circulated, and Minutes then drawn up, for the Regulating and Carrying on that Affair, but all with an intire dependance upon the Government for their Favour and Countenance in promoting it, and furnishing them with all such necessary Powers as might enable them to carry it on with safety to themselves, and the Possessors of their Bills or Notes. And therefore immediately they desired some of the Gentlemen to wait upon His Excellency the Governour for his Advice, Favour, Countenance and Direction in their Projection; who accordingly the very next Morning before they had taken a fair Copy of their Minutes, waited on His Excellency; so careful were they of paying all due Respects to Government, who were well Received by him, and Encouraged to proceed. And at the same time their Scheme being first laid before his Excellency; his thoughts were desired, whether it was practicable for the Publick to move into a Fund themselves, to which he was pleased to Answer, No, by no means; The Country is greatly Indebted already, and if such a thing were proposed, any Landed Man might come into the General Court, and enter his Protest against it; Neither would it be safe for that a Governours Fingers could not be kept out of it. And there then being no other discourse about the power of the Govern-

ment to Lend at Interest on the Publick Credit; He Replied, That what the Government could not do wisely, equitably and safely they could not do; and that the Method that they had Projected for Relief in that Affair, he well approved of; withal adding, that he would be the first Person that would take out *Three Hundred Pounds* of their Bills to promote their Credit, and encouraged them to proceed to take Subscriptions, in order to lay it before the General Assembly for their Allowance; and that he would do all that lay in his power to promote it; assuring them that he would Write Home in their favour, by setting forth the Necessity of such a Projection. And directed them to wait upon Mr. Secretary *Andrington* for his Advice, which they did, who was of Opinion that the Government would not Raise Money or Bills to Let out upon Loan. They then, and at sundry other times consulted him about their Scheme, committed it to him to peruse, correct, alter, amend and frame as he should think fit, which he accordingly did. Whereas if the Projectors had been discouraged in their so early Attempts, it might have prevented any further proceedings: And the said Scheme was laid before the General Court at their Sessions in *February* last past, together with a Petition, subscribed by most of the Underra-

kers of that Affair, for the granting them such necessary Powers, as they should think meet to carry on the same.

Sir, The foregoing being Matter of Fact, and the exact steps taken by the Gentlemen concerned in the Projection of the Bank. It cannot be so much as imagined, that the Author of the Letter, his Post and near Relation to the Governour Considered, should be ignorant thereof. However it fully proves that part of his Letter respecting their *Slight, Neglect and Contempt of the Authority and Government* to be a designed Misrepresentation, and therefore Abusive of the Gentlemen concerned; some of whom on several accounts are Superiour to him.

Now Sir, If you will please to Consider his Argument, whereby he would seem and pretend to prove his Charge of *Contempt, &c.* you will find it as Unfair and Fallacious as his Charge, which is that which you must needs have seen 'in the Publick News-Paper, or an 'Order of the Governour and Council passed 'upon the Occasion of the Projection of the 'Bank of Credit; whereby the Projectors 'were directed to proceed no further in that 'Affair, until the next Session of the General 'Assembly; that so the whole Government 'might be of Advice in a Matter of that 'Weight and Consequence. Notwithstanding

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all which, I am loth to say, in Contempt of
 it, the persons concerned are openly carrying
 on their Bank with utmost Vigour and Ex-
 pedition, and supposing, and indeed affirming
 that the Government have nothing to do
 with them in that Affair.

Is not this a bold and wilful Misrepresentation of the Matter? Whenas the Order of Council, which the Government Ordered to be Printed in the Weekly News-Letter, is in the Words following.

At a Council Held at the Council-Chamber in
 Boston, upon Fryday the Twentieth of
 August, 1714.

UPon Reading a Memorial, Presented by the
 Queens Attorney General, setting forth that
 upon good Information, a certain Number of Gen-
 tlemen, and Merchants are Projecting a Bank of
 Credit as they call it, designing speedily to Make
 and Emit a quantity of Bills to a great Value;
 which is a Matter of Importance, and will neces-
 sarily be of General Influence.

Ordered, That the Projectors or Undertakers
 of any such Bank do not proceed to Print the
 said Scheme, or put the same on Publick Re-
 cord, Make or Emit any of their Notes or
 Bills, until they have laid their Proposals before
 the General Assembly of this Her Majesties
 Province; who are always ready to Countenance

and Encourage any Proposals that may be. of benefit and advantage for the Publick; or for the promoting and encouraging of Trade amongst Her Majesties Good Subjects of this Province; And that this Order be Printed in the Weekly News-Letter.

Isaac Addington, Secr.

Now by what Words in this Order can Mr. Attorney support his Argument, to prove the Projectors Contempt and Insinuated Disobedience, which as it did not forbid their proceeding any further in that Affair, but rather encourage and direct them to compleat their Subscriptions, and perfect their Scheme, so as it might be fit to lay before the General Assembly; so was it punctually complied with, in that the Projectors neither Printed their Scheme, or put the same upon Publick Record, Made, or Emitted any of their Notes or Bills; but Reconsidered and New-Modelled their Scheme, and took many more Subscriptions, and so far perfected it, as to lay it before the General Assembly, which they did at their last October Sessions; hoping for their Countenance and Authority, for that because a certain number of the Gentlemen concerned were appointed to attend his Excellency with the present Scheme, which they carried to him on the Morning of the Day they presented another of the same to the House of Representatives, who then freely declared, that he would fa-

your

your the Design, if the House of Representatives and Council would come into it, and that the Publicks Raising of Bills to Let out, to him had its dark sides; for that if any Person should borrow of the Publick Bills, and Mortgage his Estate for payment, and fail of making payment, whereby the Estate so Mortgaged should become forfeit, the Estate so forfeited would belong to the Crown; and if he were their Governour, he should think himself obliged to lay his Hands upon it, till the Kings Pleasure could be had, who would have the intire disposition thereof.

And now after so fair a Gloss and false Comment upon the Order of the Governour and Council, and the Actions of the Projectors in Conformity thereto in the very beginning of the Letter; what can be expected but the like Arguments throughout. And indeed here you may see *Ex Ungue Leonem*. Is not this too much like prevaricating talk in a bad Cause. Wherefore it is now to be Noted, that notwithstanding the Gentlemen concerned, had made several Alterations in their Projection obliging every one that Subscribed thereto, to give good real Security, to the full value of their several Subscriptions, to Lie as a Fund or Security, to answer all the Notes or Bills Issued from the Bank; and to make good all Deficiencies, whereby the Possessors or Borrowers of the Bills or Notes were in no danger

danger of being wronged, with some other Amendments: The want of which Security in the first Projection, is one of the most popular Arguments Mr. *Attorney* hath made use of to cry down the same. Now he being well Informed of these Alterations before he Published; Nay, before he delivered and sent his Letter to you, whereby he certainly knew his short Abstract of the Projection, and his Form of the Bills, with his Addition of an Eschutcheon, and consequently all the fine Structure he builds thereon, to be but upon a sandy Foundation; tho' he would have the Honourable House of Representatives believe it.

And then he does in effect tell you, that the Projectors of the Bank have of their own heads formed themselves into a Company, by a *Constitution* of their own making, and Erecting of themselves into a *Body Politick and Corporate to all Intents and Purposes in the Law*; and then calls in the Prerogative and the Honour of the Government to his Aid and Assistance. It's true, they have by a Constitution of their own making, formed themselves into a Company and Co-partnership, and that they take for granted they well might do without the least affront to the Crown, or this Government, or else had never attempted it; for what's more common and usual then for Merchants and others to enter into Partnership, make their Rules, and oblige themselves to
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the due observation of them. And does this make them a Body Politick, and Corporate to all intents and purposes in the Law, or encroach upon the Prerogative, or dishonour this Government? What is it then the Projectors have done, that makes them such a Body Politick as Mr. *Attorney* pretends they are. Certainly no man but one in *Eutopia* could make such an Interpretation of their Articles as he has done. The Projectors, as he rightly observes, do not pretend to Incorporate, or make themselves a Body Politick; neither does his partial description of a Corporation, which he says is my Lord *Cooks*, with all the *&c.* he has put into it prove they have.

We agree with him, that all Bodies Politick are derived from the King as their Original Fountain; but it does not thence follow, that all Banks of Credit and Companies are, for that there have been such as never were Incorporated: And does not the Sword Blade Company in *London*, continue even unto this day, to Emit their Notes to a very great Value by Trustees, and not Incorporated as a Bank of Credit; so that their Emitting Notes or Bills is not in *England* accounted a *thing intolerable, Unreasonable and Unjust*, and absolutely inconsistent with the Honour, the Power and Wisdom of that Government, nor to suffer a Number of their own People to set up an *Absolute Independent Government, which like a Fire in*
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their Bowels, would burn up & consume their whole Body. But Mr. Attorney it seems is wiser, & sees further into the Matter, than the Government of England doth. And then again to prove the Erecting this Bank a Breach of Law, he brings in an Act of Parliament, made in the Sixth Year of the Reign of Queen ANNE, to wit, that during the Continuance of the Bank of England, it shall not be lawful for any Body Politick or Corporate, other than the said Company of the Bank, or for other Partners exceeding six in England to Borrow or Owe any Sum on Bill or Note, payable on demand, or at any time less than six Months from the Borrowing thereof. Now it is to be observed, that this Law does not make any Number of Partners to be a Body Politick or Corporate, for their being in Partnership; Neither doth it forbid any six, or any other Number of Partners to Borrow or Owe any Sum on Bill or Note, payable at any time longer than six Months from the Borrowing. Most certainly that Law was made in favour of the Bank of England; So that even in England it self before that Act had its force, it was lawful there for any Body Politick or Corporate, or Partners to Borrow or Owe any Sum on Bill or Note, &c. And therefore will be Lawful again at the determination of that Bank. Then why may it not lawfully be done here, since that Act no ways effects this Province; For can Mr. Attorney ima-

gine,

gine that setting up a Bank of Credit in *New-England*, would in the least measure, prejudice the Bank of *England*: However, tho' he says he will not trouble himself to Argue how far this Projection would be a Breach upon the Bank of *England*; yet tells you, page 12. That certainly if the same Fact committed in *England*, by a Number exceeding six would be a Breach of Law; much more may we suppose it forbidden and made Unlawful for an hundred to do it here. Certainly, this is a fine and accurate Mode of Reasoning and Pungent Argument.

Because our Law forbids us Building of Wooden Houses in *Boston*, therefore we must not Erect one in *Lynn*, or the Province of *Main*.

As to what he says of the Projection not being founded in *Commutative Justice* and *Common Honesty*, and that he can't see the Reasonableness and Justice of it, betwixt the Subscribers and Borrowers; and therefore must unavoidably prove a great Snare and Mischief to those that want Money, &c. To make a shew of the Proof thereof, he Argues from his own false Abstract of the Projection, so that he disputing *Ex non Concessis*; all he draws from thence, together with his *Hypothesis*, grounded thereon, must needs fall of it self, & come to nothing. And it is plain, his design was only to amuse the People, but more particularly the House of Representatives: Now since the

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Projection

Projection obliges every Subscriber to Mortgage a Real Estate, of the full value of what he Subscribes for, to make a sufficient Fund for the Credit of their Notes and Bills; as likewise to Answer all Deficiencies arising by any defect or default of the Projectors in the aforesaid Scheme; Whereby the Borrowers or Possessors of the Notes or Bills are sure to have Justice done them; and all concerned with them, in case the Bank should come to an end, even then will the last Possessors of their Bills or Notes have good Security to depend on: Notwithstanding all the Objector hath said, or possibly can say: They still having their Credit and Value from the Intrinsic Value of the Bank, and not from what his Bubbled Borrowers give them, as he groundlessly asserts. He must needs suppose the House to be asleep, and so to need awakening, as page 5. when he asserts, page 19. that by the Tenour of the Bills you see, they are only obliged to Accept of them for the Redemption of *Pawns* and *Mortgages*: When in his Reciting the Tenour of the Bill, page 7. He owns that we oblige our selves to Accept the same in **ALL PAYMENTS** according to Covenant made by us on Publick Record, &c. Which how directly he Contradicts himself, &c. endeavours to Mislead the House, we leave you and the World to judge: Nor would the Projectors have the Profits of other Mens Estates,

states, much less the Estates themselves without a valuable Consideration, nor make themselves Masters of any Estates but their own, which they willingly Deposit and Mortgage for a General Benefit for the Loan and Credit whereof it's as lawful for them to take Interest, as it is for Mr. Attorney for his Bills of Credit on the Province. The Bank Bills having a better and more certain Security than the Publick Loan Bills, and more easily obtained, in Case that late Act should be Repealed: And for that Reason his Argument against the Private Bank is of far greater strength and force against the Publick Bank.

Mr. Attorney is pleased often to put you in mind, that this Projection breaks in upon, and Invalidates the Constitution of this Province, page 4. 15. The Act of Parliament of late made Referring to Money in the Plantations, designing thereby to awaken the Government upon this great occasion, to Exert their proper Power, and not suffer the Projection to proceed, but by some proper Act, and Publick Order, to declare against, and forbid it, lest thereby the Constitution of the Government of the Province be broke in upon, and endangered: Because we are a Dependent Government, and must in all things Conform our selves to the Laws of Great Britain, and Instructions of the Crown, and therefore must expect to give an Account of all our Matters.

Now if the suffering of this Private Bank to be

Erected, is such an Encroachment upon the Prerogative, and a breach of the Law of *England*, as to endanger the loss of our Charter, & the Liberties and Estates of the People, which to prevent, Mr. *Attorney* tells you, was the very Consideration that principally determined him at that time so freely to Communicate his Thoughts to your self in that Matter; with the several other fine flourishes and plausible Insinuations, whereby he would induce you to believe that in all this Affair that he hath sincerely aimed at the Publick Good, and effectually to prevent any Attempts that might be made against our Liberties and Privileges, which no doubt he is intirely fond of, & always was vigilant & industrious to maintain and defend. If he has sincerely given you his Opinion respecting the Private Bank, and the direful effects of it, with what sort of sincerity did he when he says he had the Honour to be of an Extraordinary Committee Raised for that purpose, give it as his Opinion, that considering the demand as to the Taxes, & the great occasion of the People, as to their Trade, it might be convenient to Make and Issue out a further quantity of the Publick Bills of Credit: And now in his Letter spend so much time, and take such pains, and argue to persuade the General Court to set up a Bank of Credit themselves, Emit their Bills, and take Interest for the same. Is it not as possible for the Government to Erect,

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Set up and Establish things contrary to the Law, as for a Number of Private Persons ; and does not the Law of *England* which he saith would be broke in upon, by Erecting a Private Bank, much more respect a Corporation than Private Persons ; and which he himself readily grants it doth. Is not this then one effectual way to endanger the Constitution of the Government, the utter Ruin & Loss of the Charter, & the many Liberties we hold & enjoy thereby. For if a Number of private Persons break in upon the Law of *England*, they may be severally punished therefor ; But if a Corporation or Government like Ours, Set up and Enact things contrary to the Law of *England*, doubtless the way to punish them would be by Loss of their Charter and Priviledges granted thereby. So that upon the whole Matter, whether his Letter was not rather to Lull you asleep if possibly he could, that then he might bring you into the Practice of such things, which hereafter you, and all of us might have sufficient Reason to lament and be grieved for, but when too late ; than in the least measure to awaken the Government that they might be upon their Guard against any Attempts to undermine them. Because having lately seen a Book Printed in *London*, Anno 1708. Intituled, *The Deplorable State of New-England, &c.* In which is a Letter in the Words following.

Boston,

Boston, January 12th, 1703, 4

Dear Kinsman,

I Confess I am ashamed almost to think I should be at Home so long, and not let you know of it till now; Tho' after all, a New-England Correspondence is scarce worth your having----- I Refer you to Mr. ---- for an Account of every thing, especially about the Government and the College, both which are discoursed of here in Chimney Corners and Private Meetings as confidently as can be. If there should be any occasion you must be sure to stir your self and Friends, and shew your Affection and Respect to my Father, who loves you well, and bid me tell you so.----This Country will never be worth Living in for Lawyers and Gentlemen, till the Charter is taken away. My Father and I sometimes talk of the Queens establishing a Court of Chancery in this Country. I have Wrote about it to Mr. Blathwayt: If the Matter should succeed, you might get some place worth your Return, of which I should be very glad. If I can any ways serve you or your Friends, Pray signifie it to

Dear Sir,

Your Affectionate Friend,

and Humble Servant,

Paul Dudley.

Boston

Surely

Surely such a particular Favour done this Country, loudly calls upon every good Inhabitant within the same, to be always paying his proper thanks : And may it not very justly raise some doubts of his sincerity in seeking the true Interest of this Country ; or at least whether he doth not vastly differ in his Opinion from the most and best of Men among us, concerning what are our good and valuable Liberties and Priviledges.

Sir, We take no Pleasure in Rehearsing these things to you, but were necessitated thus to do, lest by the aforesaid Letter in which he asserts, page 21. that as yet they have not Consulted the Government in the whole Affair ; We might be thought to be in any wise endeavouring to break in upon the Constitution of this Government, and consequently the Priviledges and Liberties we enjoy by the Charter, which we highly esteem of, and shall never be wanting to do what in us lies for the long and well securing thereof.

A very considerable part of his Letter being on the praise of Money, Silver and Gold, and his Contrivance to store the Country with it, Regulating the Trade of the Country, and the Extravagance of the Inhabitants far beyond their Circumstances in their Purchases, Buildings, Expences, Apparrel, &c. being not so the present purpose, we shall not trouble you with an Answer thereto.

We

We doubt not but upon your Reading this our just Defence, you will be sufficiently enabled to make proper Thoughts upon the whole design of that Gentleman, as well as our Projection; which seeing it hath laboured under so many needless Aspersions, shall take this occasion to Print the same; that every one that pleases may have the Perusal and Examination thereof: whereby they will perceive his Letter to be *Pandora's Box*, and not the INNO-CENT PROJECTION.

Dated at Boston, in New-England, Decemb. 20. 1714.

We are, Sir,

Your very Humble Servants,

Samuel Lynde,
To the Contents, except the Letter taken out of a Book.

E. Lyde

John Colman

Elisha Cooke, jun.

J. Oulton

Timothy Thornton

Oliver Noyes

William Pain

Nath. Oliver.

At the Desire,
& in behalf of
the Partnership.



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